



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
CANADA

ANNUAL REPORT

2022-2023





ABOUT CHARTERED PROFESSIONAL ACCOUNTANTS OF CANADA (CPA CANADA)

MISSION:

CPA Canada enhances the influence, relevance and value of the Canadian CPA profession by acting in the public interest, supporting CPAs and contributing to Canada's economic and social development. CPA Canada has additionally adopted the goal of acting as a service-driven organization with a learning mindset.

VISION:

The Canadian CPA is the pre-eminent, globally respected business and accounting designation.

VALUES:

CPA Canada strives to reflect the core values of the profession, including acting with integrity, fostering excellence, being accountable, working collaboratively and respecting others.



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MESSAGE FROM THE PRESIDENT AND CEO



PAMELA STEER
FCPA, FCA, CFA
PRESIDENT AND CEO

As I reflect on the first year in my role as president and CEO of CPA Canada, I am filled with gratitude, loyalty and respect for our profession and this organization. It has been a remarkable year, filled with challenges, transformation and significant achievements for the Canadian accounting profession.

At the same time, it has been a period of uncertainty, culminating in the June 20, 2023, announcement that two of our provincial, territorial and Bermudian CPA partners intend to withdraw as organizational members from the Collaboration Accord, the framework agreement created at the founding of CPA Canada a decade ago.

LOOKING AHEAD

We share the goals of all provincial, territorial and Bermudian CPA partners to advance our governance framework, enhancing transparency and accountability so that the CPA profession can continue to prosper, best serve the public interest and attract new members.

The challenges facing accountants – or any profession for that matter – extend beyond borders. Issues including technological disruptions, geopolitical and economic uncertainty and the implications of climate change necessitate a united approach that transcends regional jurisdictions.

Together with our partner CPA bodies, we will continue to adapt, support industry standards, and empower Canadian CPAs to leverage global shifts in industry trends and emerging opportunities.

The accounting profession is breaking new ground, moving beyond its traditional spheres and showing leadership in some of the most important changes impacting the global business community. As CPAs, we are uniquely positioned to meet the evolving needs of businesses of all sizes.

The CPA designation is universally respected and valued; members are regarded as highly qualified, trusted and diplomatic convenors who contribute to economic and social progress in Canada and around the globe. This reputation is the result of many years of working alongside our CPA partners to support the hardworking members of the profession and to safeguard the public interest.

We are committed to charting a new path that not only propels our profession forward but also enables us to best support Canada's diverse economy on the global stage.

LOOKING BACK AT THE 2022-23 YEAR

Over the past fiscal year, CPA Canada has made measurable progress toward refining our culture and approach, including our ongoing commitment to reposition ourselves as a service-driven organization with a learning mindset.

We also continue our work to influence federal, national and global affairs on behalf of the profession. We are committed to actively engage with federal government institutions and regulatory authorities to advocate for sound financial policies and regulations that protect the public and foster economic stability.

We have also been working with our international colleagues to advise and advocate on issues that affect the global accounting profession through a uniquely Canadian CPA lens.

As countries around the world grapple with evolving financial reporting frameworks, our collective strength positions Canada as a significant contributor to global standard setting. Together, we can influence the development of standards that align with our unique economic landscape, ensuring they strike a balance between transparency and practicality.

Canadian CPAs have significant impact and influence on the global accounting profession, most recently playing a key role in bringing game-changing international sustainability standards to fruition.

GIVING OUR COUNTRY A VOICE IN THE CREATION OF NEW STANDARDS

CPA CANADA MADE SIX SUBMISSIONS TO DOMESTIC AND INTERNATIONAL REGULATORY AND STANDARD-SETTING BODIES, INCLUDING THOSE IN THE UNITED STATES AND EUROPE, TO CONTRIBUTE TO THE DEVELOPMENT OF FIT-FOR-PURPOSE, GLOBALLY APPLICABLE SUSTAINABILITY REPORTING STANDARDS.



The Canadian CPA profession has been a strong supporter of the International Sustainability Standards Board (ISSB) since its establishment by the International Financial Reporting Standards (IFRS) Foundation in November 2021. The Montreal Centre of the ISSB commenced operations out of CPA Canada's Montreal offices in June 2022.

The ISSB took a monumental step toward a more sustainable future for business operations in June of this year when it launched the first two of a new slate of standards, *General Requirements for Disclosure of Sustainability-related Financial Information (S1)* and *Climate-related Disclosures (S2)*.

The successful implementation of these new standards will require collaboration and the sharing of resources across the profession. CPA Canada was recently named a Capacity Building Partner under the ISSB's new framework for creating a global baseline that is intended to be inclusive and scalable for various-sized entities.

CPAs will be instrumental in helping Canadian businesses build capacity, while also providing independent assurance to enhance confidence in sustainability reporting.

To increase the accessibility of the ISSB's important work, we have produced a portfolio of resources to help CPAs, governments, businesses and investors navigate the reporting and assurance implications of sustainability reporting.

CPA Canada also supports the establishment of the Canadian Sustainability Standards Board (CSSB). Formed in June 2023, the CSSB will work closely with the ISSB to develop and facilitate the adoption of IFRS Sustainability Disclosure Standards for the Canadian marketplace and ensure that the Canadian perspective is part of international standard-setting decisions. It is another example of Canadian CPAs helping to shape the profession on a national and global basis.

CPA Canada is committed to contributing funding and to the provision of shared services and staff to support the work of Canada's independent standard-setting boards and councils, including the initial operations of the CSSB. Through our funding and resource-sharing initiatives our efforts will have a lasting impact on the profession, financial system and economy.



BRINGING TOGETHER THOUGHT LEADERS AND SUBJECT MATTER EXPERTS

CPA CANADA HAD THE PLEASURE OF CO-HOSTING THE ISSB'S INITIAL BOARD MEETINGS AND THE INAUGURAL IFRS FOUNDATION SUSTAINABILITY SYMPOSIUM IN MONTREAL.

Caption: On June 28, 2022, at the first meeting of the IFRS Foundation Trustees in Montréal, the Honourable Chrystia Freeland, Canada's Deputy Prime Minister and Minister of Finance, signed a Memorandum of Understanding with Montréal International to obtain the financial support of the Government of Canada and the Government of Quebec for the ISSB.

The profession has a responsibility to support standard setting in Canada. Our organization will continue to play its part to fulfill this mandate through ongoing stewardship; funding, recruiting and maintaining staff resources; and developing significant research and guidance around standards in Canada. We are proud of our role in supporting this important work, particularly as the volume and significance of standard setting grows with the addition of sustainability disclosure requirements.

The good news is that we are not alone in the task of future-proofing the Canadian CPA profession and wider financial ecosystem. Through the dedication and efforts of Canadian CPAs and our CPA partners, we can build a profession that is not just ready for change, but ready to lead that change. We will need to work alongside other business leaders to bring together the variety of skills required to tackle challenges and embrace opportunities ahead.

I am humbled to be part of this organization and profession. I am amazed each day by the tremendous work being done by members across Canada and beyond.

It is imperative we recognize that unity and collaboration are indispensable assets for the Canadian accounting profession. By transcending regional boundaries and forging a strong national bond, we amplify our influence and ensure our continued relevance.

Let us seize this opportunity to come together and share our collective knowledge, experience and resources as CPAs to not only propel our profession forward but also enable us to best support Canada's diverse economy on the global stage.



HELPING CPAS CREATE SCALABLE AND SUSTAINABLE VALUE

CPA CANADA LAUNCHED A SUSTAINABILITY AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CERTIFICATE PROGRAM THAT OFFERS A THOROUGH UNDERSTANDING OF STRATEGIC RISKS AND OPPORTUNITIES WITHIN SUSTAINABILITY FROM A FINANCIAL, INVESTMENT AND ECONOMIC MINDSET.

MESSAGE FROM THE CHAIR OF THE BOARD



RICHARD OLFERT
FCPA, FCA, CMC, ICD.D
CHAIR OF THE BOARD

In the face of unprecedented change, it is essential that we continue to advance our profession in order to uphold our commitment to act in the public interest, as well as to foster the potential of current and future CPAs. We must continue to work and lead together to be successful in this undertaking.

During my two-year term as board chair, the CPA Canada Board of Directors focused on two priorities. First, was reshaping our organization for future success – by strengthening accountability and transparency and renewing expectations regarding the value we deliver to members. Together with the new president and CEO, the board and its committees reimagined the way strategy, planning and

accountability for performance are set, monitored and evaluated. At every level of the organization, we have explored – and will continue to explore – how we can support the profession in real and impactful ways.

Our second priority has been the ongoing discussions within the profession on the most effective governance for the future. Collaboration among diverse partners is at the heart of building a resilient future. Meaningful discussions with all provincial, territorial and Bermudian CPA partners continued, with the objective of better aligning with their execution against legislated mandates and the partnerships they collaborate on, including those with CPA Canada.

Throughout our governance framework discussions, we have embraced our collective desire for change – including greater transparency and accountability within the profession. We have also reiterated the importance of upholding a unified national profession that works in the best interests of all members and our CPA partners.

We firmly believe that this unity best serves the public interest and is fundamental to the ongoing success and attractiveness of the CPA profession. It's not always straightforward, but our shared goals are a unifying force that can take the profession to new heights. This conviction will continue to guide our upcoming discussions with all of Canada's CPA partners following the notices of withdrawal by CPA Ontario and CPA Quebec.

This past fiscal year demonstrates the abundance that the profession can create for its future. CPA Canada, alongside regional CPA bodies, focused on several specific areas to support and enhance the profession.

Recognizing the dynamic nature of the business landscape, we continued to nurture strategic partnerships with industry associations, academic institutions and international accounting bodies, such as the Global Accounting Alliance (GAA) and the International Federation of Accountants (IFAC). By facilitating critical knowledge exchange and aligning our efforts, we can address shared challenges, pursue common goals and contribute to the advancement of the accounting profession worldwide.

JOINT RESEARCH TO BUILD A STRONGER ACCOUNTING PROFESSION WORLDWIDE

CPA CANADA AND IFAC EXPLORED TRENDS, RISKS AND OPPORTUNITIES IN THE SUSTAINABLE DEBT MARKET, WHILE CPA CANADA AND THE INSTITUTE FOR SUSTAINABLE FINANCE ASSESSED THE DIRECTION REQUIRED FOR CLEARER MEASUREMENT AND DISCLOSURES ON GREENHOUSE GAS (GHG) EMISSIONS.



We cannot underestimate the complexity of the challenges we are facing, and the multi-faceted solutions required to address them. The world needs trusted and ethical professionals with sustainability literacy and proficiency to analyze and ensure diverse forms of data, beyond financial metrics, are reliable and fit-for-purpose. No other profession is as equipped as we are to make this happen.

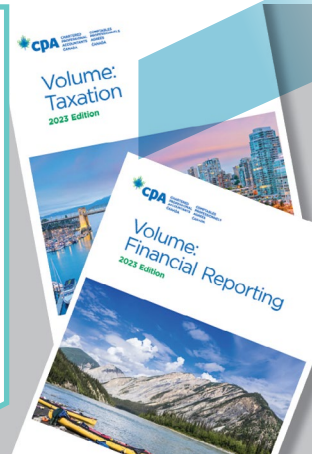
However, as a profession, we face increasing and stiff competition for new candidates. The attractiveness of the profession is top of mind for many in the accounting space, both in Canada and globally. We all know that the job landscape has fundamentally changed, as have employee expectations for purpose-driven work.

To stay relevant and dynamic in this competitive labour market, the profession must attract a growing and diverse pool of candidates who bring unique perspectives to the table.

Together with our CPA partners, extensive work has gone into reimagining the new CPA Certification Program to ensure that CPAs are ready to lead in Canada's future economy and society. Yet, we must maintain the traditional accounting competencies and a core focus on protecting the public. Led by a national steering committee and supported by CPA Canada, the multi-year project will include extensive stakeholder consultations at every stage of the journey. The result will be a more flexible and inclusive program that upholds the profession's rigorous standards for admission, while better meeting the diverse needs of learners, capital markets and governments.

DELIVERING MORE EFFECTIVE AND INCLUSIVE LEARNING SOLUTIONS

CPA CANADA REDESIGNED MODULES IN BOTH ITS PROFESSIONAL EDUCATION PROGRAM (PEP) AND PREPARATORY COURSES TO INCLUDE ADAPTIVE LEARNING EBOOKS THAT OFFER CANDIDATES A PERSONALIZED LEARNING JOURNEY.



One of the strengths of this profession is its commitment to continuous learning. Over the past year, in partnership with CPA partners and subject matter experts, CPA Canada continued to develop timely research and guidance to help CPAs build new skills and adapt to change. Flexible educational opportunities were also provided through online and in-person learning and conference options.

CHAMPIONING A CULTURE OF CONTINUOUS LEARNING

WITH THE SUPPORT OF ITS CPA PARTNERS ACROSS THE COUNTRY, CPA CANADA HOSTED SEVEN CORNERSTONE EVENTS AND CONFERENCES, BRINGING TOGETHER MEMBERS OF THE PROFESSION AND OTHER INDUSTRY EXPERTS FOR NETWORKING, KNOWLEDGE EXCHANGE AND INSIGHTS INTO THE LATEST TRENDS AND TECHNOLOGIES.



Another significant priority focuses on the power of collaboration for fostering economic growth and stability. Through the CPA Financial Literacy Program, which includes a dedicated network of CPA volunteers, fellow CPA bodies, community partners and sponsors, we have an opportunity to make a difference and better the lives of all people in Canada. As trusted and credible experts, CPAs help others to achieve financial empowerment.

Through our shared efforts, CPA Canada and its CPA partners are helping to build and secure a bright future for CPA members and to foster a thriving and sustainable Canadian economy.

In September 2023, I'll conclude my term as chair. These two years have been both challenging and deeply fulfilling. It has been a great honour to serve the profession that has been so good to me. I would like to thank my board colleagues, our president and CEO, and the entire CPA Canada team for their dedication and ongoing contributions to advancing the profession and creating value for members. I would also like to thank my provincial, territorial and Bermudian counterparts for their steadfast dedication to our profession. Thank you.

2022-2023 BY THE NUMBERS

7,300+

REGISTERED CPA VOLUNTEERS

Through participation in financial literacy community initiatives, as mentors within the CPA Martin Mentorship Program for Indigenous high school students, or on one of the profession's many boards, committees and working groups, CPA members gave back to the profession and their communities. We appreciate and celebrate the time, expertise and contributions of these dedicated volunteers.

100,000

INDIVIDUALS ATTENDED 2,000+ CPA-LED FINANCIAL LITERACY SESSIONS ACROSS CANADA

In collaboration with CPA member volunteers, our fellow CPA partners, community partners and sponsors, the CPA Financial Literacy program delivered unbiased, functional and clear financial information to improve Canadians' financial resiliency.

100+

MEETINGS

CPA Canada met with the Canada Revenue Agency (CRA) and Department of Finance to raise matters of relevance to the profession and the public, with the federal government in pursuit of a more equitable and effective tax system. We further strengthened our collaborative relationship with the CRA through work on joint committees that address issues of mutual interest to improve the tax system.

3 DIVERSITY, EQUITY AND INCLUSION (DEI) MODULES LAUNCHED

To promote innovation and help foster a more diverse, equitable and inclusive profession, reflective of the society it serves, mandatory DEI modules were rolled out for all learners in the CPA PEP. Topics include an introduction to DEI, microbehaviours and their impact, and unconscious bias.



REDUCTION OF **56 TONNES** OF CARBON EMISSIONS (CO₂e) THROUGH THE ELIMINATION OF MORE THAN **12 MILLION** PRINT PAGES

The CPA Canada Handbook adopted a digital-only format to allow for greater agility when publishing updates on accounting, assurance and public sector standards to ensure CPAs have access to timely and accurate information and resources. This change, together with other measures including a reduction in travel and embracing a hybrid work model, has a positive impact on the reduction of our carbon footprint which will be reflected in future reports.

16,555

STUDENTS ENROLLED IN THE CPA PEP, **4,883** IN CPA PREPARATORY COURSES AND **6,288** SUCCESSFUL CANDIDATES COMPLETING THE COMMON FINAL EXAMINATION (CFE)



These numbers reflect an important partnership between CPA Canada and its CPA partners, based on a commitment to consistent programming. Together, we continued to enable the next generation of business leaders with the professional knowledge, values and ethics to contribute to the economy and society.

200,000+

UNIQUE PAGE VIEWS FOR CPA CANADA'S TAX BLOGS AND NEWS



Acting in the public interest, our tax group influences the development of an equitable, effective and efficient tax system in Canada. CPA Canada is dedicated to delivering timely guidance and insights on existing and future tax matters.



SHARED LEARNING AND CREATING PATHWAYS TO THE PROFESSION

CPA Canada continued to work in partnership with Indigenous organizations to reduce barriers to the profession experienced by Indigenous learners. In collaboration with the Aboriginal Financial Officers Association (AFOA) of Alberta and the CPA Western School of Business, we launched an introductory financial accounting course, including a tailored e-book, authored by Indigenous subject matter experts.



Last but not least...

The ONE

For the first time in a hybrid format, The ONE National Conference, hosted in collaboration with CPABC, brought together more than 2,100 CPAs and other business leaders from across Canada. Attendees participated in two days of discussion on critical issues in accounting, finance, leadership and tax.



OPERATING ENVIRONMENT

In the face of a rapidly evolving operational environment, CPA Canada remains dedicated to delivering services that bring value to the Canadian CPA profession, including the provincial, territorial and Bermudian CPA bodies, members and other stakeholders.

Together, we represent highly qualified professionals who demonstrate an ongoing commitment to the highest standards of accounting, ethics and best business practices. We also use our collective expertise to advance public policy that benefits Canadians and contributes to Canada's economic and social development.

In order to optimize our organization's future effectiveness, CPA Canada's management and governance leaders are focused on strengthening our capabilities in critical areas. This entails identifying, evaluating and effectively overseeing organizational risks, as well as practicing prudent financial planning and management. Our ability to respond swiftly and suitably to anticipated and unexpected events is essential to the success of our organization.

INVESTMENTS IN BUSINESS TRANSFORMATION

The accounting profession continuously explores ways to modernize and develop new forms of value. CPA Canada established a plan to invest in target business areas and strategic initiatives to lay the groundwork for the capabilities and resources that will be critical to the long-term benefit of the profession.

In the current year, spending of \$8.8 million on strategic initiatives was incurred to meet the anticipated future needs of the profession. As of year-end on March 31, 2023, the net assets internally restricted for strategic initiatives had a balance remaining of \$12.3 million. The board of directors approved \$5.8 million for future spending on specific initiatives.

Several profession-wide initiatives will be captured under this umbrella, including funds allocated over several years as part of CPA Canada's contribution to the "Coalition of Canadian Champions Escrow Trust" to cover startup and initial operating costs to establish the Montreal centre of the ISSB. Other initiatives include supporting the Independent Review of Standard Setting in Canada and the CSSB. Funding is also being directed to further enhance CPA Canada's technology and cybersecurity infrastructure.

INSPIRING CULTURE

Our organizational transformation continued through this year under the stewardship of our new CEO and the introduction of a chief people officer. With a strategic lens to our workforce capabilities required to achieve our core priorities, an enterprise-wide restructuring program was established. This program saw a reduction of nine per cent of our workforce and a rebuild of our senior leadership team. Together, enabled by a talent strategy, our focus is on continuing to enhance engagement and trust across the organization through an improved employee experience. Our commitments to trust, inclusion, progression and flexibility are the foundation for improving collaboration and provision of services by CPA Canada.

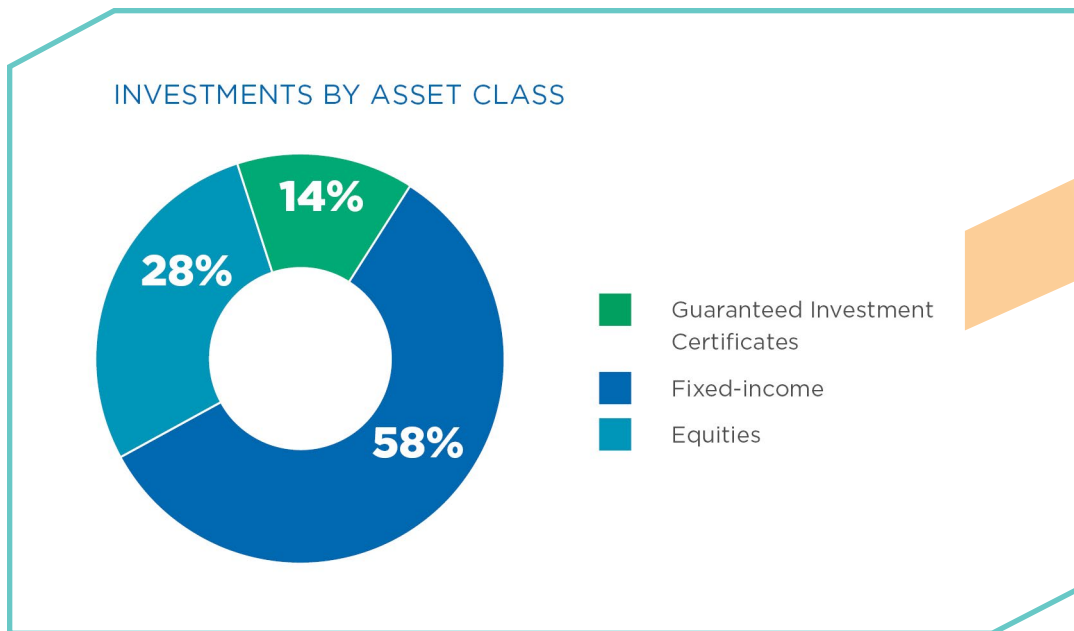
ENTERPRISE RISK MANAGEMENT

Managing CPA Canada's risks remains the collective effort of the board, management and staff at all levels of the organization. CPA Canada is maturing its enterprise risk management program with a framework and structured governance, as well as regular review and oversight by management and the board. This involves regular assessment of CPA Canada's operating environment and identifies key risks that could have an adverse impact on the organization's reputation, business performance and strategic objectives.

CAPABILITY TO DELIVER RESULTS

Capital resources and liquidity

CPA Canada's cash position of \$20.2 million, combined with our prudent focus on capital preservation and liquidity within our mix of \$89.3 million in investments has placed CPA Canada in a solid financial position.



Net assets and restricted fund

Net assets as of March 31, 2023, amounting to \$84.0 million, are comprised of \$68.9 million in unrestricted net assets, \$12.3 million approved by the board as internally restricted net assets for profession-wide strategic initiatives, and \$2.8 million invested in capital assets. The decrease in net assets of \$9.1 million during the year was mainly due to the excess of expenses over revenue of \$11.3 million, including planned spend related to strategic initiatives in the benefit of the profession, for the year ended March 31, 2023, partially offset by a remeasurement of employee future benefits obligations driven by a rising interest rate environment.

The unrestricted net assets of CPA Canada are required to provide sufficient financial capital to meet any unexpected material financial risks and to capitalize on significant new opportunities when presented. The unrestricted net assets are also available to help maintain reasonable stability in annual member fees.

On behalf of the board, the Finance, Audit, and Risk (FAR) Committee annually reviews the level of unrestricted net assets to assess its appropriateness. Based on our net asset policy, CPA Canada retains a minimum of unrestricted net assets in the range of five to nine months of annual operating expenditures (\$53 – \$114 million). As at March 31, 2023, unrestricted net assets of \$68.9 million were within the required range.

FINANCIAL PERFORMANCE

In fiscal 2022-23, we implemented a service-driven view in aligning the financial reporting for CPA Canada with our five core priorities.

1. Support an independent, efficient and effective **Standard-setting** system and enhancing Canada's position as a leader in the arena.
2. Develop and deliver learner-centric **Pre-certification Education** to build competent CPAs ready to meet the needs of the future.
3. Enhance our global network to elevate the Canadian CPA profession's leadership in **National and International Matters**.
4. Empower people across Canada to build their **Financial Literacy** and transform their financial well-being.
5. Deliver **Thought Leadership & Professional Development** to support the future of the profession in building capacity and member support in core and emerging areas.

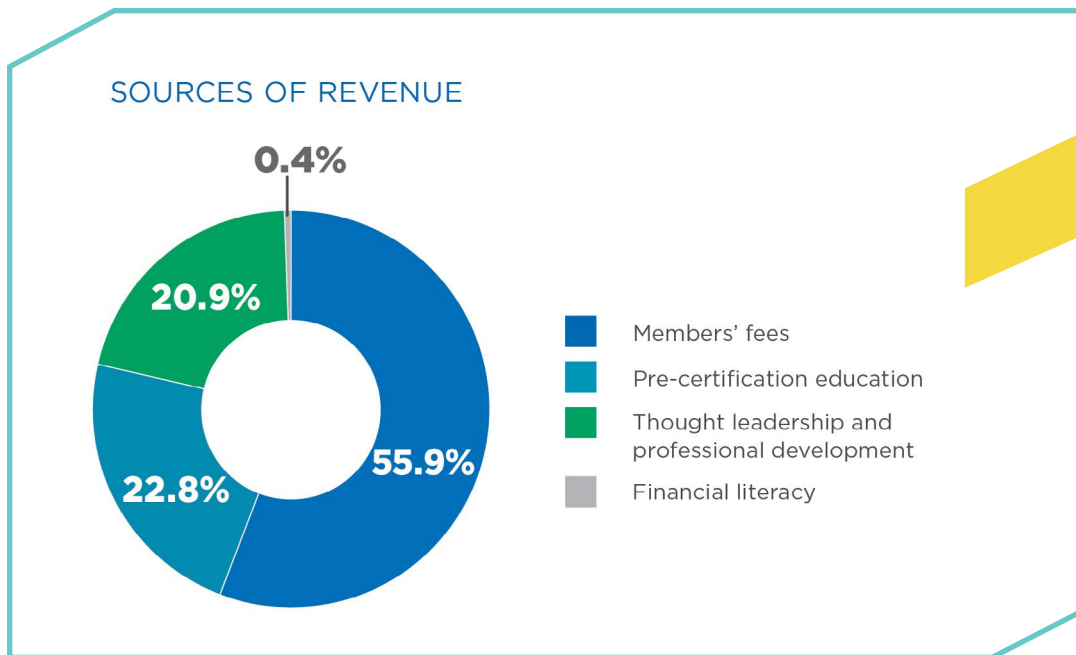
This approach prioritizes the delivery of services to our stakeholders and enhances the transparency and effectiveness of financial reporting. As such, we have designated the Council of Chief Executives as its own category to properly recognize its importance within the governance of the profession. We also revised the way administrative expenses are broken out in financial reports to align with our public-facing programs, allocated based on salaries, to provide greater insight into our expenses.

In fiscal 2022-23, in total CPA Canada reported \$11.3 million excess of expenses over revenue, comprised of a \$2.5 million loss from operations and investment income, and an additional \$8.8 million spend in strategic initiatives in support of the profession.

Revenues

Total revenues of \$130.2 million from all sources increased by \$6.1 million or five per cent from the prior year's total revenues of \$124.1 million. This was primarily due to higher revenues from education programs driven by the new certification model and increased revenues in thought leadership due to professional development, products and services.

Investment income of \$0.8 million decreased by \$1.9 million compared to the prior year, driven by unfavourable market conditions.

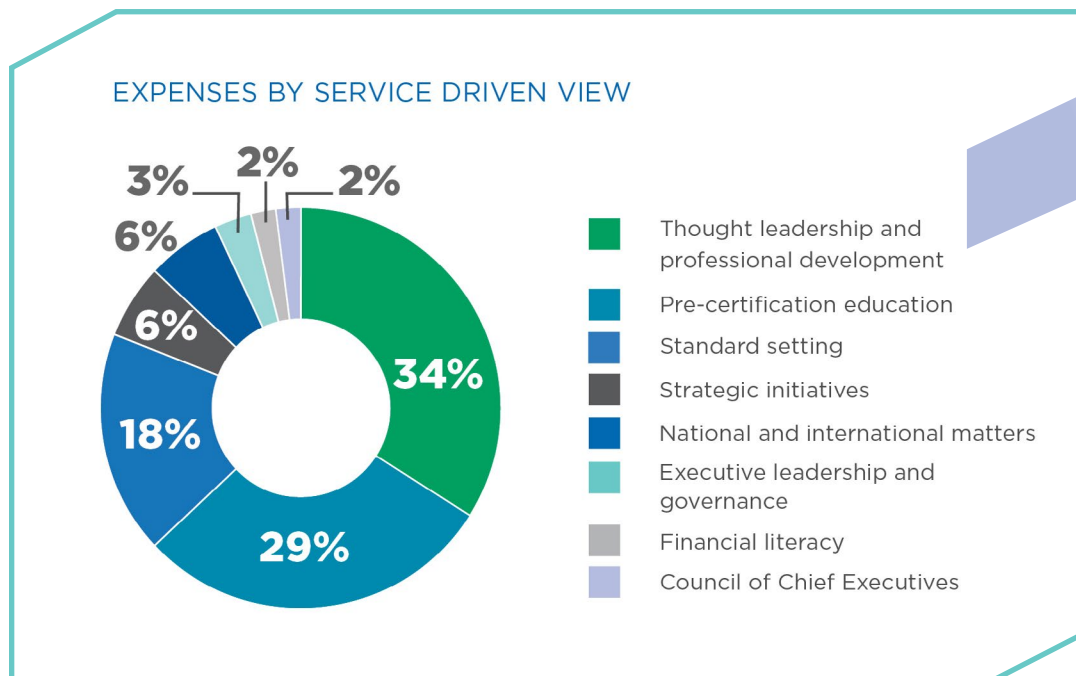


Expenses

In the pursuit of providing transparent financial reporting, in fiscal 2022-23 CPA Canada reclassified expenses based on a service-driven approach. The enhanced classification provides a more transparent view of expenses incurred in serving and supporting our provincial, territorial and Bermudian boards, members, and the general public.

Total expenses, excluding Strategic Initiatives, of \$133.5 million increased by \$13.5 million, or approximately 11.2 per cent, compared to the prior year. This increase was primarily driven by restructuring charges to refocus and enhance CPA Canada’s capabilities, higher educational program costs primarily driven by costs associated with the new certification model, and an increase in insurance premiums.

Expenses related to Strategic Initiatives of \$8.8 million increased by \$6.9 million primarily due to the contribution to the Coalition of Canadian Champions for the establishment of the ISSB in Canada, covering startup and operational expenses. Furthermore, CPA Canada actively supported the governance review of Canadian standard setting, and further enhancements of CPA Canada’s cybersecurity measures.



SUMMARY FINANCIAL STATEMENTS

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying summary financial statements and all other information contained in this annual report are the responsibility of the management of Chartered Professional Accountants of Canada (CPA Canada). The summary financial statements have been prepared by management and are derived from the complete audited financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations and have been approved by the board of directors.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of CPA Canada, which includes adherence by all employees to CPA Canada's Code of Conduct. Management maintains a system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial information. Such information also includes data based on management's best estimates and judgments.

The Finance, Audit and Risk (FAR) Committee reviews the summary financial statements and recommends them to the board of directors for its approval. In addition, the FAR Committee meets periodically with management and the external auditors, and reports to the board of directors thereon. The FAR Committee also reviews the annual report in its entirety.

The accompanying summary financial statements have been audited by the external auditors who are engaged by the board of directors on the recommendation of the FAR Committee and whose appointment was ratified at the annual meeting of members. The auditors have access to the FAR Committee, without management present, to discuss the results of their work.



Pamela Steer, FCPA, FCA, CFA
President and Chief Executive Officer

To the Members of Chartered Professional Accountants of Canada:

Opinion

We have audited the financial statements of Chartered Professional Accountants of Canada (the "CPA Canada"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the CPA Canada as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the CPA Canada in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statement for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on June 16, 2022.

Other Information

Management is responsible for the other information. The other information comprises of the information, other than the financial statements and our auditor's report thereon, in the annual report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The annual report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the CPA Canada's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the CPA Canada or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the CPA Canada's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CPA Canada's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the CPA Canada's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the CPA Canada to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mississauga, Ontario

June 28, 2023

MNP LLP

Chartered Professional Accountants

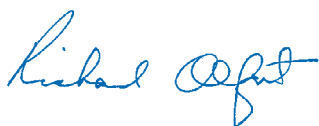
Licensed Public Accountants

Summary Statement of Financial Position

as at March 31

	2023 (\$000's)	2022 (\$000's)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 20,150	\$ 37,597
Accounts receivable	12,760	6,776
Investments	7,165	2,516
Inventories	106	264
Prepaid expenses	2,295	1,473
	42,476	48,626
Investments	82,118	88,259
Capital Assets	4,098	5,033
	86,216	93,292
	\$ 128,692	\$ 141,918
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 18,828	\$ 19,425
Deferred revenue	12,030	12,259
	30,858	31,684
Employee Future Benefits	12,409	15,446
Deferred Lease Incentives	1,392	1,681
	13,801	17,127
	44,659	48,811
NET ASSETS		
Invested in capital assets	2,784	3,442
Internally restricted for strategic initiatives	12,325	21,093
Unrestricted	68,924	68,572
	84,033	93,107
	\$ 128,692	\$ 141,918

On behalf of the Board,



Richard Olfert, FCPA, FCA, CMC, ICD.D
Director



Karen Gosse, CPA, CA
Director

Summary Statement of Operations

for the year ended March 31

	2023 (\$000's)	2022 (\$000's)
REVENUES		
Members' fees	\$ 72,834	\$ 72,006
Pre-certification education	29,729	26,390
Thought leadership & professional development	27,233	25,353
Financial literacy	437	349
	130,233	124,098
EXPENSES		
Thought leadership & professional development	47,757	44,042
Pre-certification education	40,253	35,267
Standard setting	25,316	21,982
National and international matters	7,786	6,872
Executive leadership and governance	4,618	6,399
Financial literacy	3,412	2,620
Council of Chief Executives	2,846	1,946
Members' fees (credit card fees)	1,498	881
	133,486	120,009
Excess of (expenses over revenues) / revenues over expenses before investment income and strategic initiatives	(3,253)	4,089
Investment income	770	2,647
Excess of (expenses over revenues) / revenues over expenses before strategic initiatives	(2,483)	6,736
Strategic initiatives	(8,768)	(1,907)
EXCESS OF (EXPENSES OVER REVENUES) / REVENUES OVER EXPENSES	\$ (11,251)	\$ 4,829

Summary Statement of Changes in Net Assets

for the year ended March 31

	Invested in Capital Assets	Internally Restricted for Strategic Initiatives	Unrestricted	2023 (\$000's)	Invested in Capital Assets	Internally Restricted for Strategic Initiatives	Unrestricted	2022 (\$000's)
Balance, beginning of year	\$ 3,442	\$ 21,093	\$ 68,572	\$ 93,107	\$ 3,992	\$ 21,000	\$ 53,294	\$ 78,286
Excess of (expenses over revenues) / revenues over expenses	—	(8,768)	(2,483)	(11,251)	—	(1,907)	6,736	4,829
Amortization of capital assets	(1,435)	—	1,435	—	(1,512)	—	1,512	—
Amortization of deferred tenant inducements	277	—	(277)	—	277	—	(277)	—
Purchase of capital assets	502	—	(502)	—	685	—	(685)	—
Disposal of capital assets	(2)	—	2	—	—	—	—	—
Defined benefit credit – remeasurements and other items	—	—	2,177	2,177	—	—	9,992	9,992
Inter-fund transfer	—	—	—	—	—	2,000	(2,000)	—
Balance, end of year	\$ 2,784	\$ 12,325	\$ 68,924	\$ 84,033	\$ 3,442	\$ 21,093	\$ 68,572	\$ 93,107

Summary Statement of Cash Flows

for the year ended March 31

	2023 (\$000's)	2022 (\$000's)
OPERATING ACTIVITIES		
Excess of (expenses over revenues) / revenues over expenses	\$ (11,251)	\$ 4,829
Adjustments to determine net cash provided by (used in) operating activities:		
Amortization of capital assets	1,435	1,512
Loss on disposal of capital assets	2	—
Interest capitalized on investments	(511)	(360)
Interest received on investments capitalized in prior years	282	1,382
Reinvested distributions from index pooled funds	(4,208)	(3,988)
Realized gain/(loss) on sale of investments	160	(602)
Unrealized depreciation in fair value of index pooled funds	5,025	2,673
Required employee future benefits funding	(1,585)	(1,614)
Employee future benefits expense	725	939
Amortization of deferred lease incentives	(289)	(289)
	(10,215)	4,482
Change in non-cash working capital items		
Accounts receivable	(5,984)	7,708
Inventories	158	19
Prepaid expenses	(822)	168
Accounts payable and accrued liabilities	(597)	(593)
Deferred revenue	(229)	2,107
	(17,689)	13,891
INVESTING ACTIVITIES		
Purchase of short-term investments	(5,293)	—
Purchase of investments	(3,844)	(29,022)
Proceeds on sale of short-term investments	—	322
Proceeds on sale of investments	9,881	21,077
Purchase of capital assets	(502)	(685)
	242	(8,308)
Net change in cash and cash equivalents	(17,447)	5,583
Cash and cash equivalents, beginning of year	37,597	32,014
Cash and cash equivalents, end of year	\$ 20,150	\$ 37,597

Note to Summary Financial Statements

for the year ended March 31, 2023

Basis of Presentation

These summary financial statements are derived from the audited financial statements of Chartered Professional Accountants of Canada (CPA Canada) for the year ended March 31, 2023, which were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Management prepared these summary financial statements using the following criteria:

- a) the summary financial statements include a statement for each statement included in the audited financial statements;
- b) information in the summary financial statements agrees with the related information in the audited financial statements; and
- c) major subtotals, totals and comparative information from the audited financial statements are included.

The audited financial statements of CPA Canada are available on the [CPA Canada website](#).



CPA

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